



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-0560/1
MES:kjf:rs

2015 ASSEMBLY BILL 85

March 12, 2015 – Introduced by Representatives RIEMER, MEYERS, BARCA, BERCEAU, BILLINGS, BOWEN, BROSTOFF, CONSIDINE, GENRICH, GOYKE, HEBL, HESSELBEIN, HINTZ, JOHNSON, JORGENSEN, KAHL, KOLSTE, MASON, MILROY, OHNSTAD, POPE, SARGENT, SINICKI, SPREITZER, SUBECK, C. TAYLOR, ZAMARRIPA and ZEPNICK, cosponsored by Senators RINGHAND, ERPENBACH, HANSEN, HARRIS DODD, LASSA, C. LARSON, MILLER, VINEHOUT and WIRCH. Referred to Committee on Ways and Means.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to amend** 71.54 (1) (g) (intro.), 71.54 (2) (b) 4. and 71.54 (2m); and **to**
2 **create** 71.54 (1) (h) and 71.54 (2) (b) 5. of the statutes; **relating to:** restoring
3 indexing provisions to the homestead tax credit.

Analysis by the Legislative Reference Bureau

Under current law, the homestead tax credit formula factors (maximum income, maximum property taxes, and income threshold) are not indexed for inflation after 2010. This bill amends those provisions and restores the indexing provisions of the former law. Under the bill, the homestead tax credit formula factors would be indexed for inflation for taxable year 2014 and beyond.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 71.54 (1) (g) (intro.) of the statutes is amended to read:
5 71.54 (1) (g) 2012 and thereafter to 2014. (intro.) The amount of any claim filed
6 in 2012 ~~and thereafter~~ to 2014 and based on property taxes accrued or rent
7 constituting property taxes accrued during the previous year is limited as follows:

ASSEMBLY BILL 85**SECTION 2**

1 **SECTION 2.** 71.54 (1) (h) of the statutes is created to read:

2 71.54 (1) (h) *2015 and thereafter.* Subject to sub. (2m), the amount of any claim
3 filed in 2015 and thereafter and based on property taxes accrued or rent constituting
4 property taxes accrued during the previous year is limited as follows:

5 1. If the household income was \$8,060 or less in the year to which the claim
6 relates, the claim is limited to 80 percent of the property taxes accrued or rent
7 constituting property taxes accrued or both in that year on the claimant's homestead.

8 2. If the household income was more than \$8,060 in the year to which the claim
9 relates, the claim is limited to 80 percent of the amount by which the property taxes
10 accrued or rent constituting property taxes accrued or both in that year on the
11 claimant's homestead exceeds 8.785 percent of the household income exceeding
12 \$8,060.

13 3. No credit may be allowed if the household income of a claimant exceeds
14 \$24,680.

15 **SECTION 3.** 71.54 (2) (b) 4. of the statutes is amended to read:

16 71.54 (2) (b) 4. In calendar years 2011 ~~or any subsequent calendar year to 2013,~~
17 \$1,460.

18 **SECTION 4.** 71.54 (2) (b) 5. of the statutes is created to read:

19 71.54 (2) (b) 5. Subject to sub. (2m), in calendar year 2014 or any subsequent
20 calendar year, \$1,460.

21 **SECTION 5.** 71.54 (2m) of the statutes is amended to read:

22 71.54 (2m) INDEXING FOR INFLATION; ~~2010 2014 AND THEREAFTER.~~ (a) For calendar
23 years beginning after December 31, 2009, ~~and before January 1, 2011~~ 2013, the dollar
24 amounts of the threshold income under sub. (1) (f) (h) 1. and 2., the maximum
25 household income under sub. (1) (f) (h) 3. and the maximum property taxes under

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1 sub. (2) (b) ~~3.~~ 5. shall be increased each year by a percentage equal to the percentage
2 change between the U.S. consumer price index for all urban consumers, U.S. city
3 average, for the 12-month average of the U.S. consumer price index for the month
4 of August of the year before the previous year through the month of July of the
5 previous year and the U.S. consumer price index for all urban consumers, U.S. city
6 average, for the 12-month average of the U.S. consumer price index for August 2007
7 through July 2008, as determined by the federal department of labor, except that the
8 adjustment may occur only if the percentage is a positive number. Each amount that
9 is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the
10 revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5,
11 such an amount shall be increased to the next higher multiple of \$10. The
12 department of revenue shall annually adjust the changes in dollar amounts required
13 under this paragraph and incorporate the changes into the income tax forms and
14 instructions.

15 (b) The department of revenue shall annually adjust the slope under sub. (1)
16 ~~(f)~~ (h) 2. such that, as a claimant's income increases from the threshold income as
17 calculated under par. (a), to an amount that exceeds the maximum household income
18 as calculated under par. (a), the credit that may be claimed is reduced to \$0 and the
19 department of revenue shall incorporate the changes into the income tax forms and
20 instructions.

21 (END)